(b) to (d) The Ministry of Textiles, Government of India constituted a High-level Committee headed by MD, NABARD to look into the problems of high cost of working capital and choking of credit lines in the handloom sector. The Financial Package for Handloom Sector worth Rs. 2600 crore has been sent to Ministry of Finance for their approval. This financial package to handloom sector, *inter-alia* provides:—

(i) Waiver of overdue loans and interest in respect of Handloom Weavers/PWCs/Apex Societies.

(ii) Financing the credit needs of handloom weavers/societies at 7% rate of interest with interest subvention to NABARD and banks from Government of India.

Textile mills shifting to South India

1857. DR. K. MALAISAMY: Will the Minister of TEXTILES be pleased to state:

(a) how many sick mills have been restored and rehabilitated during United Progressive Alliance (U.P.A.) Government;

(b) what is the background of more and more textile mills shifting to South India particularly around Coimbatore district, when the raw materials (cotton) have to come from North India; and

(c) the major threats faced or being faced by textile mills and the measures taken or being taken to avert such threats?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) Details of cases of sick mills registered and restored and rehabilitated during, United Progressive Alliance (U.P.A.) Government is at Statement. (*See* below)

(b) As per the reports received from Regional office of the Textile Commissioner, Coimbatore no shifting of textile mills from other parts of the country is reported. As per record of this office during the period 2004-05 to December, 2008 (upto 15th December, 2008), new 365 textile mills from the southern region *i.e.*, Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Pondicherry were enlisted as against this only 23 textile mills from the Northern Region, *i.e.*, Delhi, Haryana, Rajasthan, Uttar Pradesh and Uttaranchal were enlisted during the corresponding period.

(c) Rising cost of input, stiff competitive global market and higher borrowing cost are the major threats faced by the textile industry. Government have been taking continuing measures to promote textile industry and export segment. Among the major steps Government has of late made the following changes:—

- General reduction of 4% in CENVAT rates. As a result, the textile machinery will have CENVAT of 10% and Non-cotton textile will have 4% CENVAT vide Notification No.58/2008-CE dated 07.12.2008
- Rate of duty on cotton textile and the textile articles has been reduced from 4% to Nil vide Notification No. 58/2008-CE dated 07.12.2008

- NAPHTA imported for generation of electric energy has been exempted from import duty vide Notification No. 128/2008-Cus dated 07.12.2008.
- The benefit of Service Tax refund is now extended to service provided by a clearing and forwarding agent to exporters vide Notification No. 33/2008-ST dated 07.12.2308.
- The Threshold limit of refund of service tax paid by exporters on foreign commission agent service has been enhanced from 2% of FOB value to 10% of FOB value of exports vide Notification No. 33/2008-ST dated 07.12.2008.
- Draw back benefit can now be availed of simultaneously with refund of service tax pad in respect of exports.
- Pre and post — shipment export credit for certain specific sectors including textiles is being made more attractive by providing an interest subvention of 2% upto 31/03/2009 subject to minimum rate of interest 7% per annum.
- An additional allocation of Rs. 1400 crore will be made to clear the entire backlog in TUF Scheme.
- All items of handicrafts will be included under 'Vishesh Krishi and Gram Udyog Yojana'.
- To boost collateral free lending, the current guarantee cover under Credit Guarantee Scheme for Micro and Small enterprises on loans will be extended from Rs. 50 lakh to Rs. 1 crore with guarantee cover of 50 percent.

Statement

Details of cases of sick mills registered, restored and rehabilitated during U.P.A. Government

Status	No. of textile cases		
	As on 31.08.2004	As on 19.06.2008	During the period 1.9.2004 and 19.6.2008
1	2	3	4
Declared No Longer Sick	43	62	19
Dropped as Net Worth become Positive	5	22	17
Scheme Approved under section 17(2) SICA, 1985	3	4	1
Scheme Sanctioned under Section 18(4) SICA, 1985	48	53	5
Declared Sick	—	157	157

1	2	3	4
Draft Scheme	7	7	0
Failed and Reopened	5	—	-5
Non-Maintainable	117	156	39
Others	12	73	61
Remanded by AAIFR/Court	8	9	1
Scheme sanctioned by AAIFR	3	—	-3
Stay Order by Court/Stayed by AAIFR	4	4	0
Under Enquiry	304	92	-212
Winding Up Notice	16	8	-8
Winding Up recommended section 20(1) SICA, 1985	213	219	6
Total	788	866	78

Mill sector continuing to reel under sickness

1858. SHRI S. ANBALAGAN: Will the Minister of TEXTILES be pleased to state:

(a) whether mill sector continues to reel under sickness in the country; and

(b) if so, the specific steps taken by Government during each of the last three years and the achievements made thereon?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) No, Sir. There is no sickness in the Mill sector on the whole during the last three years. The production of yarn (both cotton and man made) and cloth production in the mill sector during the last three years is as follows:—

Period	Man made filament yarn Kg.	Cotton yarn Kg.	Cloth production in Mill sector Square metre
2005-2006	1179	2521	1656
2006-2007	1370	2824	1746
2007-2008(P)	1509	2948	1781

Textile exports

1859. SHRI M.V. MYSURA REDDY: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the textile exports for 2007-08 was only US $20 billion against the target of US $25 billion;